

# **FISCAL NOTE**

## **SB 2335**

March 19, 2004

**SUMMARY OF BILL:** Creates the Non-Profit Credit Counseling Services Act, which:

- Requires all non-profit consumer credit counseling companies to register with the Department of Financial Institutions.
- Requires the counseling agency to meet certain requirements including being a non-profit 501(c)(3) entity; present proof of separate FDIC insured trust accounts for handling clients funds, proof of counselor certification; have a plan to keep the cost to the consumer low; have a board of directors and have no conflict of interest with the operation of the counseling service.
- Establishes a maximum fee of \$75 for the initial fee the consumer pays, and \$50 per month to maintain the program. No one is to be denied service because of inability to pay.
- Requires the credit counseling company to provide the consumer with reports accounting for all funds received and disbursed at least quarterly.
- Requires the Department of Financial Institutions to enforce sanctions against any agency in violation by issuing a cease and desist order without notice if circumstances so require; issue notice for an expedited hearing; proceed with forfeiture of the portion of the bond required to compensate the aggrieved party; file a civil suit through the Attorney General; or revoke, suspend or deny the renewal of the registration.

### **ESTIMATED FISCAL IMPACT:**

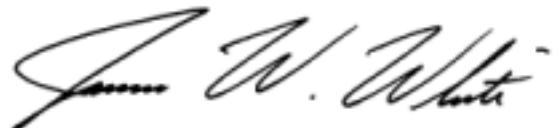
#### **Increase State Revenues - \$31,362**

Estimate assumes:

- an increase in state revenues to the Department of Financial Institutions of \$31,362 from collections of \$270.36 for examination fees times x examinations.
- the Department of Financial Institutions will use two existing examiners to review registration applications.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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